

Chevy Chase Village Board of Managers

February 23, 2015

Special Meeting—Budget Work Session

Note: *These minutes reflect the Board's actions only, and do not include remarks made by members of the Board of Managers, Village Staff or others in attendance.*

BOARD OF MANAGERS

Michael L. Denger, Chair	Present
Patricia S. Baptiste, Vice Chair	Present
Richard M. Ruda, Secretary	Present
David L. Winstead, Assistant Secretary	Present
Gary Crockett, Treasurer	Present
Robert C. Goodwin, Jr., Assistant Treasurer	Present
Elissa A. Leonard, Board Member	Present

STAFF

Shana R. Davis-Cook, Village Manager	Present
John Fitzgerald, Chief of Police	Present
Michael Younes, Director of Municipal Operations	Present
Demetri Protos, Finance Director	Present
Melissa Wiak, Community Liaison/Administrative Assistant	Present

Mr. Michael Denger, Chair of the Chevy Chase Village Board of Managers, called the meeting to order at 7:30 p.m. Mr. Denger explained that this special work session was called to review and discuss the Village Manager's draft of FY2016 budget. The Board reviewed and discussed the following:

1. The FY 2016 budget review and adoption process, including future scheduling. The Board will hold a public discussion on the proposed budget at its regular meeting on Monday, March 9, 2015 and a Public Hearing at the Board's April 13, 2015 regular meeting, with adoption of the final budget at the Village's Annual Meeting on Monday, April 20, 2015. The March and April issues of the *Crier* will include notices regarding the FY2016 operating and capital budget schedule and adoption process and the April issue will feature an explanatory memorandum regarding the proposed budget from the Board Treasurer Mr. Gary Crockett.
2. Current financial position, including the status of general funds and photo speed enforcement program (*SafeSpeed*) reserves.
3. Revenue projections, specifically in regard to income tax, real estate and personal property tax and *SpeedSpeed* citations. The Board discussed the potential impact of a pending case before the U.S. Supreme Court, entitled *Comptroller of the Treasury of Maryland vs. Brian Wynne*, in which the state seeks that the Maryland Court of Appeals

ruling (issued in 2013) be overturned which determined that Maryland should have allowed residents to deduct income taxes paid to other states from the income taxes paid at the county level (which Maryland collects on behalf of the counties, a 17% share of which is remitted to municipalities). The Supreme Court is expected to render a decision in summer of 2015. If the lower court ruling is upheld, counties and municipalities may be liable for past claims, which the state will withhold from future income tax distributions beginning as early as FY2016. The Board acknowledged that since the US Supreme Court has not yet ruled on the case, and since Village finances are projected to maintain a healthy reserve in FY2016 and forward, no action is needed in regard to the projected income tax revenue for FY2016 at this time. The Board requested that Mr. Crockett make note of this case, however, in his memorandum that will be included in the April issue of the *Crier*.

The Village Manager's budget projected revenues to the general fund totaling \$3,662,547, which includes an income tax revenue of \$2,250,000, and property tax revenue of \$955,500. Additionally *SafeSpeed* revenue was projected to total \$1,392,500.

4. The projected operating and capital expenses totaled \$5,356,336; resulting in a projected deficit/draw on reserves in the amount of \$301,289 (these numbers include all FY2016 personnel, operations and capital improvement program expenditures).

Board direction included:

REVENUES

1. Revenue projections were approved as presented.

EXPENSES

2. Police/Communications:
 - The Board approved the Police Chief's recommendation for one (1) additional patrol officer, bringing the total sworn force to 11, eight of which will be detailed to patrol. This additional officer's employment will be contingent upon maintaining the *SafeSpeed* Program, insomuch as one of the former patrol officers was assigned as program administrator in 2009 when the State law changed and required that a sworn officer approve all camera citations. If the Village's *SafeSpeed* program is ever terminated, the program administrator will return to patrol operations and the eleventh sworn officer position will be eliminated.

The Board authorized increasing the Police, Personnel budget by \$70,670 for expenses related to this additional position. The Board also authorized increasing the Police, Operations budget by \$8,100 for uniform and equipment expenses related to this additional position. These expenses will only be incurred for specific items during the first year of employment.

- The Board approved the Police Chief's recommendation to terminate our department's participation with the Commission for Accreditation of Law Enforcement Agencies. This process will be replaced by an internal Professional Compliance and Audit function and process that will be created by Chief Fitzgerald, subject to Counsel's review. This process will be administered by the Public Safety Coordinator.

The "Program Accreditation" line item was removed from the Police, Personnel budget in the amount of \$12,000. An additional \$750 was deducted from the Police, Operations, Office Supplies line item, which would have been spent in support of the accreditation process.

- No further changes were made to the Police and Communications departments' personnel and operating budgets.

3. Public Works:

- The personnel and operating budgets were approved as drafted.

4. General Government:

- Staff explained that the purchase of a copier would be removed from the CIP; since it has been determined that leasing a copier would be more cost-effective. The Admin Copier/Fax Service line item was reduced from \$8,500 to \$6,500.
- No further changes were made to the personnel and operating budgets.

5. Professional Services:

- Approved as drafted.

6. Facilities, Fleet & Infrastructure:

- The Board directed staff to include a new line item, entitled "Landscape Design" in the amount of \$1,000 to fund ongoing park development design work.

7. Capital Improvements Program (CIP) Budget; Special Projects:

- The Board directed staff to defer the start of the Chevy Chase Village signage (-\$10,000) project by one fiscal year to FY2017.
- The Board accepted staff's recommendation to remove the purchase of a replacement copier from the CIP (-\$15,000)
- The remaining CIP budget and special projects were approved as drafted.

Mr. Crockett moved to adjourn the work session. Mr. Goodwin seconded the motion. Mr. Denger, Ms. Baptiste, Mr. Ruda, Mr. Winstead, Mr. Crockett, Mr. Goodwin and Ms. Leonard voted in favor of the motion. The work session adjourned at 9:16 p.m.

Secretary, Chevy Chase Village Board of Managers

Final.